

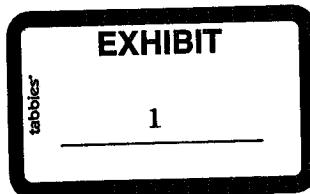
**IN THE CHANCERY COURT OF LEWIS COUNTY
AT HOHENWALD, TENNESSEE**

In Re: Sentinel Trust Company)
)
)
) Case No. 4781
)
)

AFFIDAVIT OF BILLY SPAULDING

I, Billy Spaulding, having been duly sworn, do attest to the following:

- 1) I am of majority age and have personal knowledge of the contents of this affidavit.
- 2) I am employed by Receivership Management, Inc. ("RMI") as Controller. RMI is the Receiver of Sentinel Trust Company.
- 3) I have inspected bank account information regarding the bank accounts maintained by Sentinel Trust Company. It appears that Sentinel Trust had its operating bank account at Union Planters Bank (account #3601058211 -- hereinafter the "211 account"). On May 18, 2004, that account had a balance of \$147,854.76.
- 4) On June 4, 2004, the Receiver opened another account at Union Planters Bank (account #3602368775 -- hereinafter the "775 account"). The '775 account was initially funded with \$50,000 from the '211 account. After that withdrawal from the '211 account, approximately \$29,900 remained. As of June 23, 2004, the aggregate balance of both the '211 account and the '775 account was \$72,847.26. See Exhibit A hereto Register Report STC: 05/17/04 - 06/23/04.
- 5) Disbursements from the '211 account and the '775 account since May 17, 2004 have been for matters such as employee salaries, payroll tax payments, utilities and phone expenses, office supplies, courier services and the like. See Exhibit A.



6) As of June 23, 2004 there were pending invoices from RMI and for legal counsel fees and expenses that aggregate to approximately \$50,000. In addition the Receiver has received invoices for other counsel who are billing for work in pursuing defaulted bond issues post-May 17, 2004. The Receiver has also received invoices that will need to be paid concerning the regular operating expenses of the receivership such as employee salaries, insurance, utilities, etc.

7) Since May 18, 2004, the only deposits made into either the '211 account or the '775 account aggregate to an amount of approximately \$24,000. See Exhibit A. That amount represents the fees received by Sentinel Trust in relation to the June 1, 2004 bond payments. Because Sentinel Trust is in liquidation, it is likely that these monthly fee revenues will lessen over time.

8) Projecting out the amount currently in the '211 account and the '775 account (along with anticipated fee revenues) against the pending and expected charges against those accounts, it appears that the '211 account and the '775 account will be depleted of funds in mid-to-late July 2004.

9) Sentinel Trust also maintained another bank account -- SunTrust Bank account #4049233. From my inspection of that account, it appears that the SunTrust account would receive funds from various sources, pool them together and then disbursements for various items would be made. To a greater or lesser extent, the SunTrust account was used pre-receivership to receive payments from bond issuers and to make principal and interest payments to bondholders and also make payments for other bond related expenses. Because wiring instructions and other automated functions of the monthly bond payments are tied to the SunTrust account, post-May 18, 2004 receipts from bond issuers and post-May 18, 2004 payments to bondholders have continued to use that SunTrust account. All post-May 18th activity in the SunTrust account, however, has been strictly accounted for and kept track of. From my inspection of the SunTrust bank records, it appears that the net pre-May 18, 2004 funds remaining in the SunTrust account is approximately \$1.6 million.

10) Exhibit A to this affidavit is a register of the activity in the '211 account and the '775 account from May 17, 2004 until June 23, 2004. It was compiled by me from the Union Planters records I have inspected concerning those two accounts for the stated period of time.

Further Affiant Sayeth Not:

Billy Spaulding
Billy Spaulding

Sworn to and subscribed before me,

this 30 day of June, 2004.

Mary B. Batey
Notary Public

My Commission Expires: 5-19-07



EXHIBIT
REGISTER REPORT STC
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06/25/04

JUN. 25. 2004 11:00AM

SENTINEL TRUST CO.

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Date	Account	Num	Description	Memo	Category	Amount
			BALANCE 05/16/04			0.00
05/17/04	UPB 3601058211 O...		Opening Balance			0.00
05/17/04	UPB 3601058211 O...	6118	CASH IN BANK 05-17-04			147,854.76
05/17/04	UPB 3601058211 O...	5861	MERIMWEATHER LEW'S ELECTRIC			-881.00
05/17/04	UPB 3601058211 O...	6025	ONSTAR			-399.00
05/17/04	UPB 3601058211 O...	6116	ST JUDES GOLF TOUR			-100.00
05/17/04	UPB 3601058211 O...	6117	FAST LANE SPORTS			-664.00
05/17/04	UPB 3601058211 O...	6119	BARBER OIL CO			-95.31
05/17/04	UPB 3601058211 O...	6120	NASHVILLE ELECTRIC SERVICE			-282.69
05/17/04	UPB 3601058211 O...	6121	ROAD RUNNER COURIER			-34.00
05/17/04	UPB 3601058211 O...	6122	VERIZON WIRELESS			-291.45
05/17/04	UPB 3601058211 O...	6123	FLEET CREDIT CARD SERVICE			-2,360.47
05/17/04	UPB 3601058211 O...	6124	BELLSOUTH			-4,572.94
05/17/04	UPB 3601058211 O...	6125	IKON OFFICE SOLUTIONS			-438.25
05/17/04	UPB 3601058211 O...	6126	AT&T			-699.00
05/17/04	UPB 3601058211 O...	6127	IOS CAPITAL			-427.05
05/17/04	UPB 3601058211 O...	6128	NUVOX COMMUNICATIONS			-460.34
05/17/04	UPB 3601058211 O...	6129	SAWYER BROWN OFFICE CONDO			-520.55
05/17/04	UPB 3601058211 O...	6130	XEROX CORPORATION			-406.41
05/17/04	UPB 3601058211 O...	6131	TOP BRASS BUILDING SERVICES			-245.00
05/17/04	UPB 3601058211 O...	6132	TONY T ANDERSON			-4,079.67
05/17/04	UPB 3601058211 O...	6139	TONY T ANDERSON			-515.88
05/25/04	UPB 3601058211 O...	6140	WILLIAM C HAGAN			-4,247.29
05/25/04	UPB 3601058211 O...	6141	MICHAEL A SALVUCCI			-3,511.01
05/27/04	UPB 3601058211 O...	6142	PAUL WILLIAMS			-6,211.67
05/27/04	UPB 3601058211 O...	6143	DANNY N BATES			-1,984.12
05/27/04	UPB 3601058211 O...	6144	CLIFTON T BATES			-1,723.80
05/27/04	UPB 3601058211 O...	6145	VOID			0.00
05/27/04	UPB 3601058211 O...	6146	BRADLEY S LANCASTER			0.00
05/27/04	UPB 3601058211 O...	6147	VOID			0.00
05/27/04	UPB 3601058211 O...	6148	VOID			0.00
05/27/04	UPB 3601058211 O...	6149	VOID			0.00
05/27/04	UPB 3601058211 O...	6150	BOBBY ANDERSON			5610
05/27/04	UPB 3601058211 O...	6151	POSTMASTER			6310
05/27/04	UPB 3601058211 O...	6152	WILLIAM C HAGAN			444 MILES @ 36 CENTS
05/27/04	UPB 3601058211 O...	6153	TABITHA STAGGS			MISC EXPENSE
05/27/04	UPB 3601058211 O...	6154	S ALLIED SERVICES			BUILDING CLEANING
05/27/04	UPB 3601058211 O...	6155	DANIELLE P FIELDS			AIR CONDITIONER REPAIR
05/27/04	UPB 3601058211 O...	6157	GLEN D FLOYD JR			MAY PAYROLL
05/27/04	UPB 3601058211 O...	6155	MICHAEL T O'BRIEN			MAY PAYROLL
05/27/04	UPB 3601058211 O...	6156	TAMMY T YOUNG			PAYROLL

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Date	Account	Num	Description	Memo	Category	Amount
05/27/04	UPB 3601058211 O...	6159	S DAVIDS LOCK & KEY	CHANGE LOCKS	6389	-131.60
05/27/04	UPB 3601058211 O...	6160	S UNION PLANTERS BANK	PAYROLL TAX 62-0961880	2110	-12,677.31
05/28/04	UPB 3601058211 O...	6161	S REBECCA L ADAMS	MAY PAYROLL	2150	-481.45
05/28/04	UPB 3601058211 O...	6162	S BOBBY ANDERSON	SWA ALBEQ KANSAS CITY	6320	-252.60
				SWA KC NASHVILLE	6320	-603.00
				MARRIOTT KC	6320	-149.29
				DEPOSIT TO AC 3602368775	UPB 360236...	-50,000.00
06/04/04	UPB 3601058211 O...	6163	S SENTINEL TRUST COMPANY	DEPOSIT TO AC 3602368775	UPB 360236...	0.00
06/04/04	UPB 3602368775 R...		Opening Balance	QUICKEN CKS & DEPOSIT SLIPS	UPB 360105...	50,000.00
06/04/04	UPB 3602368775 R...	10001	S SENTINEL TRUST COMPANY	CHANGE LOCKS AT BELLEVUE OFFICE	6230	-289.06
06/04/04	UPB 3602368775 R...	10002	S BILLY SPAULDING	PAYROLL W/E 06-04-04	6389	-81.93
06/07/04	UPB 3602368775 R...	10008	S ABC LOCK & KEY INC		2150	-811.90
06/07/04	UPB 3602368775 R...	10009	S TONY T ANDERSON			0.00
06/07/04	UPB 3602368775 R...		VOID	PAYROLL W/E 06-04-04	2150	-630.50
06/07/04	UPB 3602368775 R...	10010	S MICHAEL A SALVUCCI			0.00
06/07/04	UPB 3602368775 R...	10011	S VOID			0.00
06/07/04	UPB 3602368775 R...	10003	S VOID			0.00
06/07/04	UPB 3602368775 R...	10004	S VOID			0.00
06/07/04	UPB 3602368775 R...	10005	S VOID			0.00
06/07/04	UPB 3602368775 R...	10006	S VOID			0.00
06/07/04	UPB 3602368775 R...	10007	S VOID			0.00
06/08/04	UPB 3602368775 R...	10012	S WILLIAM C HAGAN	PAYROLL W/E 06-04-04	2150	-892.31
06/08/04	UPB 3602368775 R...	10013	S UNION PLANTERS BANK	62-0961880 PAYROLL TAX	2110	-1,260.76
06/08/04	UPB 3602368775 R...	10014	S VOID			0.00
06/08/04	UPB 3602368775 R...	10015	S PAUL WILLIAMS	REIMBURSE MILEAGE THRU 06-01-04	6320	-192.00
06/08/04	UPB 3602368775 R...	10016	S VOID			0.00
06/08/04	UPB 3602368775 R...	10017	S BLUE CROSS BLUE SHIELD OF TENNESSEE	GROUP 89898 JUNE 2004	5810	-2,277.16
06/11/04	UPB 3602368775 R...	10018	S TONY T ANDERSON	PAYOUT FINAL	2150	-216.60
06/11/04	UPB 3602368775 R...	10019	S RANDSTAD	D SELLERY W/E 05-30-04	5697	-511.20
06/11/04	UPB 3602368775 R...			B TUCKER W/E 05-30-04	5697	-539.70
06/11/04	UPB 3602368775 R...			9,000 LETTERS, STUFF - SEAL	6240	-4,526.36
06/11/04	UPB 3602368775 R...	10021	S FRANKLINS BRENTWOOD	8115 662-4335 309 0472	6320	-267.83
06/11/04	UPB 3602368775 R...	10022	S BELL SOUTH	931 796-7961 162 0475	6320	-3,576.98
06/11/04	UPB 3602368775 R...	10023	S CITY OF HOHENWALD	ACT 002-005001-02	6350-WATER	-89.56
06/11/04	UPB 3602368775 R...	10024	S AT&T	ACCT 8000-891-4469	6330	-689.00
06/11/04	UPB 3602368775 R...	10025	S STAPLES	7972820004111746	6230	-1,544.47
06/11/04	UPB 3602368775 R...	10026	S UPS	INV E7W258214	6315	-209.95
06/11/04	UPB 3602368775 R...	10027	S UPS	INV 54E07W234	6315	-133.88
06/11/04	UPB 3602368775 R...	10028	S XEROX CORP	INV 002536150		-138.15
06/11/04	UPB 3602368775 R...	10029	S TOP BRASS BUILDING SERVICES	6061-BUILDING		-150.00
06/11/04	UPB 3602368775 R...	10030	S IKON OFFICE SOLUTIONS	6061-EQUIP		-438.22
06/11/04	UPB 3602368775 R...	10031	S SAWYER BROWN CONDO ASSOCIATION	6061-BUILDING		-520.55
06/11/04	UPB 3602368775 R...	10032	S JEANNE BRYANT	REIMBURSE FOR Q WEST	6330	-361.86
06/11/04	UPB 3602368775 R...	10033	S ISDN NET INC	CUST 9928 STMT 06-01-04	6330	-440.00
06/11/04	UPB 3602368775 R...	10034	S XEROX CORP	INV 206289 APRIL	6315	-138.15
06/11/04	UPB 3602368775 R...	10035	S UPS	INV E7W2582174	6315	-285.50
06/11/04	UPB 3602368775 R...	10036	S UPS	INV 54E07W184		-256.36

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Date	Account	Num	Description	Memo	Category	Amount
06/11/04	UPB 3602368775 R...	10037	PAUL WILLIAMS	TRAVEL REIMB		-24.00
06/11/04	UPB 3602368775 R...	10038	WILLIAM C HAGAN	TRAVEL REIMB		-53.28
06/11/04	UPB 3602368775 R...	10039	WILLIAM C HAGAN	PAYROLL W/E 06-11-04		-764.91
06/11/04	UPB 3602368775 R...	10040	MICHAEL A SALVUCCI	PAYROLL W/E 06-11-04		-708.79
06/11/04	UPB 3602368775 R...	10041	UNION PLANTERS BANK	62-0981880 PAYROLL TAX		-833.41
06/14/04	UPB 3602368775 R...	10042	NES	0623119-0339694 BELLEVUE		-443.98
06/17/04	UPB 3602368775 R...	DEP	S DEPOSIT	6350:ELECTR...		1,186.88
				WAYNE CTY SCHOOL 2000A		356.25
				WAYNE CTY SCHOOL 1999		1,162.50
				WAYNE CTY SCHOOL 2000		637.50
				DECATUR CITY SCHOOL 1999		320.00
				RICHARD CITY SCHOOL 2000		250.00
				SPRINT - FINAL CREDIT		7.45
				IKON REFUND OVERPAYMENT		123.45
				K FRAZIER		-468.00
				B TUCKER - BELLEVUE		-539.70
				MONITOR ALARM THRU 10-31-04		-161.33
				CANNON COPIER		-427.05
				STEWART COUNTY 1999		250.00
				STEWART COUNTY 1999A		500.00
				MARSHALL COUNTY SCHOOL 2001		737.50
				MARSHALL COUNTY SCHOOL 2000		1,037.50
				STC FEES EARNED 06-01-04 DIST		17,243.75
				LEGAL NOTICE - BOND BUYER		-750.00
				ACT 1055025		-458.06
				PAYROLL W/E 06-18-04		-743.08
				PAYROLL W/E 06-18-04		-745.64
				THRU 06-10-04		-1,015.77
				MILEAGE THRU 06-22-04		-190.08
				MAY MILEAGE & EXP		-1,139.78
				JUNE ACCT 073-028		-79.00
				JULY ACCT 073-028		-64.00
				TOTAL 05/17/04 - 06/23/04		72,847.26
				BALANCE 06/23/04		72,847.26
				TOTAL INFLOWS		221,867.54
				TOTAL OUTFLOWS		-149,020.28
				NET TOTAL		72,847.26